# 1987

## REGIONAL TRANSPORTATION AUTHORITY ANNUAL REPORT





















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The photography in this Annual Report highlights employees from our three Service Boards. Along with their names we have indicated the number of years Those pictured on this report's cover are:

CTA, O'Hare-Douglas rapid transit; Yolanda Metcalf, RTA, 1 year, Alfred Cortes, CTA, 13 years (Middle Row)

1 year; RTA Directors William Walsh (standing), Sidney Danoff and Kathleen Parker, RTA (Bottom Row)

Larry Herring, Metra, 39 years; Pace route #581, Abbott Park

Photography: Page 2 and 3, The Village of River Grove departs Union Station on Metra's Milwadae Road west line.

## THE CHAIRMAN'S MESSAGE

The Honorable James R. Thompson Governor and The General Assembly of the State of Illinois

By no means do I wish to undervalue the accomplishments of the Regional Transportation Authority in 1987 by emphasizing our problems; nor, on the other hand, do I wish to neglect our real and urgent needs by overpraising our successes. In 1987 we at the RTA saw both our accomplishments and our problems multiply, giving us cause for both celebration and concern.

Beyond a doubt, the year 1987 was an operationally successful one for the RTA, as is shown by the Comprehensive Annual Financial Report included within this document. All three of RTA's service boards - Pace, Metra and the CTA - also operated efficiently and profitably in 1987, with total revenues exceeding budget estimates, total costs falling short

of budget estimates, and ridership increasing over 1986.

This is certainly good news, as is the progress on mobility limited services, suburban mass transit and the drafting and implementation of a Strategic Plan which RTA made in 1987. The RTA, and its service boards, continued, last year, to purchase assets which would enhance our ability to serve the residents of the six-county RTA region; we continued to study and refine our services, trimming them where possible and adding to them where necessary to provide the most efficient and responsive service; we continued to consolidate the gains effected through the General Assembly's restructuring of RTA in 1983. All this is, indeed, good news.

Nevertheless, the RTA and its component agencies, continue to face a severe threat in the form of our looming capital need: a total in excess of \$6 billion (in 1987 dollars) to restore our aging infrastructure by the Year 2000. Despite their operational stability and success Pace, Metra and the CTA are now one year older and no closer to solving their increasingly

urgent capital needs.

The RTA system is one of the largest and oldest in the world. It serves a large, important and dynamic socio-economic base, and has contributed enormously to the prosperity of this region during the past century. Preservation and rehabilitation of these resources remains our foremost objective in the coming years.

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Samuel K. Skinner Chairman of The Board

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(Top Row)

Metcalf, RTA, 1 year; Alfred C

(Middle Row)

Sidney Danoff and Kathleen Pa (Bottom Row)

Photography: Page 2 and 3, The Villag Union Station on Metra's Milwaukee Ro

## **BOARD OF DIRECTORS**



Jerry D. Boose



Clark Burrus



Pastora San Juan Cafferty



Walter H. Clark



Charles G. Dalton



Sidney Danoff



David L. DeMotte



Kathleen K. Parker



Philip Raffe



Jacqueline B. Vaughn



William D. Walsh



Rev. Addie L. Wyatt



Theodore G. Weigle, Jr. Executive Director



Samuel K. Skinner Chairman of The Board





#### CREATION AND TRANSFORMATION

he Regional Transportation Authority was created by the Illinois General Assembly in 1974 to coordinate and provide a consistent level of financial support to a diverse mass transportation system in the six-county region of Northeastern Illinois. Following financial and organizational difficulties which reached their nadir in 1981, the General Assembly, in 1983, effected fundamental changes in the agency's structure and funding.

The amended RTA Act vested operating responsibility of the regional transportation system to three subsidiary agencies—Pace, the Suburban Bus Division; Metra, the Commuter Rail Division; and the Chicago Transit Authority (CTA) which operates buses and rapid transit within the City of Chicago and adjoining suburbs—while reconstituting RTA into a smaller, more efficient body responsible for funding and oversight of the three service boards.

The system's financial stability was secured at that time by allotment of a percentage of sales tax in the RTA region toward its maintenance. In Cook County one cent of every dollar goes to the RTA; in DuPage, Kane, Lake, McHenry and Will Counties the RTA receives one-quarter of one cent on every dollar. Of this total, 85% goes directly to the service boards according to individual need and 15% is retained on a discretionary basis. In addition to this sum, RTA receives from Illinois's Public Transportation Fund an amount equal to one-quarter of the collected sales tax receipts.

Central to the system's restructuring was the General Assembly's desire that the RTA become financially stable and as self-supporting as possible. To this end, it imposed upon the RTA a system-wide "recovery ratio" of 50 percent, meaning that one-half of all operating expenses of the three service boards must be recovered through farebox revenues. This is easily the highest such requirement in the

United States and has established a new standard for operating efficiency throughout the region.

### The System

The combined operations of the RTA's component agencies constitute the second largest rail system, the third largest bus system, and the second largest overall public transportation system in North America. The combined annual operating budget of the RTA's three service boards is approximately \$1 billion. The RTA system is comprised of:

- 1.200 rapid transit cars
- 900 commuter rail cars
- 2,800 buses, and
- · 1,500 miles of rail track, joining
- 375 passenger stations

In total, this system provides more than 175 million miles of service to approximately 750 million riders per year. Its combined assets are valued in excess of \$14 billion, which, on an asset basis, makes RTA second only to AMOCO as Illinois's largest business entity.

## The Region

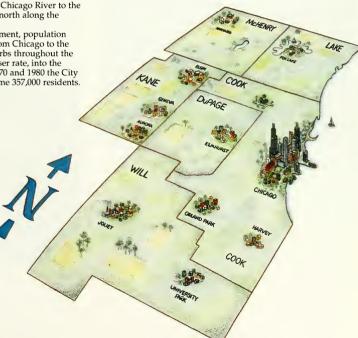
The City of Chicago is the third most populous urban center in the United States and serves as the focal point of a growing, six-county metropolitan area of more than 7.3 million residents and 3 million jobs. The region covers more than 3,700 square miles—an area roughly equal to that of the state of Connecticut—and serves as a major corporate headquarters location and financial center.

The gradual decline of the City's once-dominant industrial economy has been softened by its emergence as a vital center of services and trade. Of the Fortune 500 leading non-industrial companies, 181 are located in the Northeastern Illinois region. The improved state of the local economy is reflected in the per capita income of its residents, which, in 1986, averaged \$16,300, about 13% higher than the national average.

Within the region, employment has become increasingly decentralized during recent years. Between 1979 and 1986 significant growth has occurred in the formerly rural/residential counties of DuPage, Lake and Mc-Henry. With jobs, of course, has gone population, and, with population, more jobs. Between 1979 and 1984 the City of Chicago lost some 97,000 jobs while suburban Cook County added approximately 34,000 new jobs. The only area of Chicago to register a net gain in employment was the Loop central business district, which added about 5,000 jobs and continued to expand beyond its traditional boundaries, crossing the Chicago River to the west and moving north along the lakeshore.

As with employment, population flowed steadily from Chicago to the surrounding suburbs throughout the 1970s and, at a lesser rate, into the 1980s. Between 1970 and 1980 the City of Chicago lost some 357,000 residents. In the meantime, the population of suburban Cook County grew at a steady rate of about 0.6% annually, and the collar counties—specifically DuPage, which added more than 69,000 residents—underwent an extraordinary boom. Since 1980 the City's population has largely stabilized as have those of the surrounding suburbs.

The extensive, multi-modal transportation system operated by RTA was crucial in the early development of the Chicago metropolitan area, and remains central to its social and economic vitality today.



## REVITALIZING THE RTA SYSTEM



Bob Klusendorf, Metra, 14 years

ertainly the most important of RTA's efforts in 1987 was its on- going strategic planning process. Creation of a cogent and comprehensive blueprint for the restoration and extension of the RTA system has clearly arisen as the agency's chief priority. The general age of RTA's physical plant—from 90-year-old elevated structures, to 30-year-old rail cars, to 12-year-old buses—and the changing shape of the areas and populations it is intended to serve, have irrefutably made the case for broad-based reevaluation of what the RTA must do to remain a vital force in the Chicago region. Independent consultants' studies have determined that RTA will have to spend more than \$6 billion (1987 dollars) to restore its physical assets to good condition by the year 2000.

The City of New York, which possesses the only transit system in the United States comparable to Chicago's, neglected its system's capital needs for too long, precipitating a crisis of frightening proportion for the continent's largest transportation entity. This experience has served a cautionary purpose for all of its sister agencies, most notably the RTA. To avoid the state of emergency in which New York's Metropolitan Transportation Authority found itself, RTA initiated its strategic planning processan undertaking rivalled in scope and intensity only by that of London Transit, another of the world's largest and oldest systems.

The purpose of the Strategic Plan is to define what the RTA is, what is its purpose, what are the obstacles to its fulfilling that purpose, and how that purpose can, ultimately, be best fulfilled, leading the RTA into and through the 21st century. To this end. the RTA has undertaken numerous studies of every aspect of its enormous business and expended an unprecedenteded number of staff and board hours in discussion and debate. The ultimate result of this arduous process will prove well worth the RTA's investment in time and dollars. The region's public mass transportation system represents an incalculable social, economic and environmental good to the area it serves, and its benefits will be maintained and extended through the agency of the Strategic Plan.



Thanh Van Phan, Pace, 18 months

## Statement Of Policies And Summary Of Strategies

In December, the RTA Board of Directors formally adopted *The RTA Strategic Plan: Statement of Policies and Summary of Strategies*, a document which represents the formal beginning of RTA's ambitious program of restoration.

The Statement of Policies establishes the theoretical framework within and according to which the Strategic Plan will be implemented. It establishes criteria by which individual projects will be evaluated, and how their effectiveness will later be tested. It addresses the financial, operational, institutional and chronological restraints which must be faced and proposes methods for dealing with each.

The five key policies articulated in the *Statement of Policies* and accepted by the Board respond to what has been ascertained about the RTA's markets and customers, its operating divisions and the conditions of its assets:

Market Policy

The RTA will adopt a market- driven framework for capital and operating decision-making.

Capital Policy

The RTA will bring capital assets to good condition by the year 2000 and maintain them within funding limits as prioritized by market policy.

 Operating Cost Policy The RTA will minimize its cost per unit of service.

· Financial Policy

The RTA will ensure timely and predictable multi-year funding with which to support its strategic plan objectives. And,

Legislative Policy
The RTA will build the political
and legislative support necessary to
implement its strategic plans.



Charles Trivkas, Pace, 6 years

## REVITALIZING THE RTA SYSTEM (continued)



Marianne Ricks, Pace, 11 years

Also in 1987, the RTA funded and participated in a number of studies, conferences and other efforts which coincide with, and have contributed to, the strategic planning effort. These include the following:

### CBD Distribution System

In September, the RTA awarded a contract to the Metropolitan Planning Council to begin the process of building a coalition dedicated to constructing a downtown distribution system to relieve pressure on the over-taxed and increasingly limited rapid transit lines that serve the Loop. This initative responds to growing concern that the rapid transit system, built to serve the central business district of the late 19th century, will not be capable of serving the rapidly expanding CBD of the 21st.

### Service Rationalization Studies

The RTA has continued its effort to identify routes which provided service duplicative of others provided. Four studies completely evaluated service and made recommendations for restructuring or eliminating unnecessary routes. Cost savings resulting from these findings will come to approximately \$700,000 per year.

## Ten-Year Capital Plan

The consulting firm of Parsons Brinckerhoff Ouade & Douglas, Inc. completed a comprehensive study on the capital needs of the RTA system. This statement of need is consistent with previous estimates provided by the Urban Mass Transportation Administration, the consulting firm of Booz-Allen & Hamilton, Inc., and RTA's service boards. The study also examines institutional constraints which will limit the ability of the RTA and its service boards to implement such a capital plan, and recommends changes which will facilitate achievment of the plan's goals.

## Long-Range Financial Plan

The RTA engaged Public Financial Management, Inc. to assist in developing a ten-year financial plan. This firm serves as RTA's financial advisor and is currently developing alternative financial scenarios for the next decade. The financial plan will identify how the RTA can take optimal advantage of its existing financial resources while presenting a fiscal strategy to meet long-term needs.

## UNDERTAKINGS AND ACCOMPLISHMENTS

espite its overriding importance, the Strategic Plan was not the RTA's sole consideration.

1987 was an extremely busy and productive year for the RTA—a year in which existing services were refined, recent gains consolidated and the groundwork for the system's future solidified.

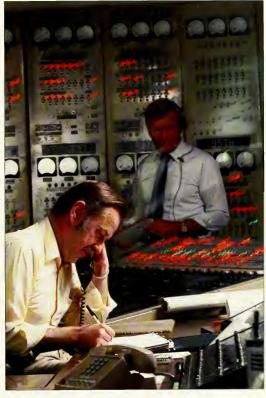
Among the most important operating achievments of 1987 were:

### Revenue Reconciliation

This involved process finally amended a number of financial and accounting discrepancies between RTA and the service boards resulting primarily from RTA's reorganization in 1984. The revenue reconciliation process has brought the financial statements of the four transportation agencies into agreement through 1986, and allows the RTA to go to the bond market with a clean financial record.

## Upgrading of Travel Information Center

The relocation and improvement of RTA's Travel Information Center (TIC) was completed in November. The service's quarters were moved from a remote northwest-side location to space immediately adjacent to RTA's headquarters at One North Dearborn Street. Installation of a modern information retrieval system and a hightech telecommunications system immediately gave RTA the best and most advanced travel information system in the United States and, likely, the world. The RTA also selected a new operator for the facility, Advanced Telemarketing Corp., of Dallas, which it found better qualified to operate the new and more sophisticated system.



Carl Meyer (left), CTA, 27 years and Bruno Romej, 31 years

The TIC is now capable of handling more than 10,000 calls per day, up from 7,500 before the renovation. The 3,000,000 inquiries it is expected to handle in 1988 will make it the busiest facility of its kind in existence. Still further refinements are planned.

## Tinley Park/80th Avenue Rock Island Station

The RTA awarded a grant to the village of Tinley Park for partial funding of a feasibility study for a Tax Increment Finance District to support a joint development project planned for that area. The project is intended to stimulate transit-integrated development along Interstate 80 at this location.

#### Retirement of Grumman Buses

Pace, the Urban Mass Transportation Administration, the Illinois Department of Transportation and the RTA agreed on a plan for early retirement of Pace's 204 Grumman buses, which had become increasingly unreliable and expensive to maintain as a result of design deficiencies. The plan calls for the immediate retirement of 150 Grumman buses and their replacement with 100 new buses to be purchased with funds furnished entirely by Pace and RTA. The estimated net cost of this project is approximately \$16.9 million.

#### Metra Electric Studies

The RTA authorized funding for two studies aimed at improving efficiency on Metra's newly acquired Electric Lines (formerly Illinois Central Gulf Electric). One study will identify and evaluate options for increasing the efficiency of service on portions of the line south of 115th Street. A second study will assess the condition of the Automated Revenue Collection System, which has already exceeded its life expectancy. Alternatives to the existing system will be evaluated in comparison with other options to identify the most cost-effective method of revenue collection.

The service boards also undertook a number of planning studies and implemented service improvements during 1987 with RTA's participation and assistance. These include:

## ICG and Milwaukee Road Line Acquisitions

In May, Metra purchased the Illinois Central Gulf's 41-mile electric line serving Chicago and the suburbs of southern Cook and northern Will Counties. Acquisition price was approximately \$28 million. Metra also acquired, for \$67.9 million, 84 miles of Milwaukee Road lineage serving suburban Cook, DuPage, Kane and Lake Counties. Operating cost savings of \$6.79 million per year resulting from the ICG purchase will be used to pay for the Milwaukee Road acquisition. Consolidation of these lines will achieve greater flexibility for operating and capital investment decisions.

## Operation BUS

The Operation BUS program, for Better Ultimate Service, was intiated by CTA in response to the poor appearance and low reliability of its aging bus fleet. The refurbishment program was budgeted at \$3.7 million. An initial review of the program shows that it has been successful in improving the quality of service provided on CTA buses, by far the region's dominant public transportation mode. Similar proposals for rail cars (Operation CARS, or Clean And Reliable Service) and for passenger stations (Operation CLASS, or Clean, Lit And Safe Stations) have been included in the 1988 budget.

#### Labor Costs

CTA also concluded a labor settlement with bus drivers and rapid transit workers. Members of the Amalgamated Transit Union approved a three-year contract which gives members a lump sum payment of \$800 in the first year and 80 cents per hour in wage increases spread over the final two years. The lump sum payment is a significant cost containment measure, since workers' salaries, which are used to calculate raises and fringe benefits, are unchanged.



CTA route #60 on 26th Street, Chicago

## MAKING MASS TRANSIT WORK IN THE SUBURBS



Pace Route # 581, Abbott Park

he census of 1970 was the first to record that the population of Chicago's suburbs had surpassed that of the City. By the 1980 census, the suburbs also contained the preponderance of the region's employment. This abrupt and significant shift has proven as difficult to deal with as it was unexpected.

The break-neck development of Suburbia rapidly and almost arbitrarily made large-scale population centers of areas which were only recently rural or low-density residential, and transformed the small-volume roads built to accomodate their previous needs into major traffic arterials. The result has been city-level traffic densities which threaten to choke off the very socio-economic vitality which created them However, due to the suburbs' relatively wide dispersement of employment and population centers, public mass transportation, which requires intensive concentration of users, has had only little success in serving their needs. Both suburban development and its attendant problems have worsened to the point at which a solution by the involved parties has become necessary before the nature of the suburbs is permanently changed for the worse.

RTA has stepped to the fore of this planning effort, acting as a catalyst for positive and pro-active change in the suburbs by bringing together local business, development and municipal leaders to identify and act upon the problems threatening them. It played this role very actively in 1987 in a number of ways:

## Transportation Options Conferences

This series of conferences in Chicago's most densely populated and traffic-plagued suburban counties—DuPage, suburban Cook, and Lake—has provided the core of RTA's suburban initiative. In each case RTA enlisted the aid of a nation-wide, not-for-profit planning organization (the Urban Land Institute, the Institute of Transportation Engineers, and the American Planning Association, respectively) to organize and participate in the conferences, select panelists and commentators, and establish agendas.

Study panels consisted of both local and national traffic, transportation, employment, government and planning experts who spent two days touring and analyzing transportation problem areas in the county under discussion. Their study periods were followed by a day of brainstorming

and debate with audiences composed of local business, development and municipal leaders, and a final day on which conclusions were drawn and possible solutions recommended. Each conference produced a published report on the proceedings and findines.

The findings of each of these workshops were similar, as were their suggestions for traffic alleviation. Whereas traffic in the suburbs is at or approaching untenable levels, suburban population and employment dispersement make traditional, fixedguideway transit systems, such as subways and streetcars, impracticable. On the other hand, traditional, fixedroute bus service in the suburbs has not yet proven to be popular or effective. If public mass transportation is to become an effective force in the suburbs, therefore, it must develop innovative and customized services keyed to specific needs, and it must foster closer cooperation between the public and private sectors. RTA undertook this charge in several ways during 1987:

### NWMC/TRANSPART

The RTA awarded a twelve-month grant to the Northwest Municipal Conference, a league of suburban municipalities, to create and staff TRANSPART (Transportation Partnership) a not-for-profit Transportation Management Association (TMA) which will focus on non-traditional alternatives for solving traffic congestion problems on Cook County arterial corridors. Among TRANSPART's other charges is to attempt to establish suburban zoning ordinances which encourage the sort of concentrated development which is best suited to public mass transportation.



Metra Conductors (L to R): Carl Gurnicz, 1 year; Dennis Mallone, 11 years; Bob Hagarty, 15 years; Bob Klusendorf, 14 years

RTA intends to encourage the creation of several more TMAs at appropriate locations throughout its region.

## Expanded Suburban Bus Service

In an effort to serve new markets, Pace initiated several new routes in 1987, two of which have been established specifically in response to the growing reverse commute market. One provides service between the CTA's Cumberland Avenue Station and the Hamilton Lakes office complex in Itasca, while another route operates between the CTA terminal in Des Plaines and the Oakbrook shopping/ office complex. Pace is also attempting to serves areas not presently served by rail, as in the case of its new express route between Bolingbrook and the Loop.

#### SERVING THE DISABLED COMMUNITY

The RTA is firmly committed to serving all of its 7.3 million constituents to the best of its ability, including those to whom main-line transit service is impracticable. The question of how to answer the special needs of the few within a system designed for the mass has proven itself a thorny one in every city with a significant public mass transportation system; RTA has responded by creating the most efficient and effective door-to-door van service in the country.



Juan Reves, Pace, 1 year

Through service contracts with four private providers the CTA's Special Services program currently provides an average of about 2,500 rides per day to medically qualified participants, an increase of almost 40% over 1986 and almost 500% since the program was initiated in 1985. Privatization of these services has enabled CTA to provide service to a greater number of riders by substantially reducing the unit cost of service. Cost per ride in 1987 was approximately \$12, down from an initial \$29 per ride in 1985.

Pace also provides paratransit service for diabled riders, and, in 1987, carried nearly 20,000 riders per month. In late 1986 Pace and RTA initiated an experiment with lift-equipped, fixed-route buses in the city of Waukegan, along with a fully-accessible paratransit system in Lake and McHenry Counties. These paratransit routes served an average of about 250 riders per month throughout 1987.

Also in 1987 the RTA and Metra awarded a contract for engineering design of a handicapped-accessible, bilevel rail car. Work on this project will continue through 1988. Other mobility limited projects undertaken by RTA in 1987 include:

## Expanded Paratransit Service

In November, 1987, new paratransit service was offered to mid-day riders in McHenry County. While fixed-route service continues to be operated during peak periods, Pace provides "Dial-A-Ride" service during off-peak hours. This service represents an important effort by Pace to serve markets where population density is not sufficient to warrant off-peak, fixed-route service.

Another paratransit innovation which continued into 1987 was a shift toward inter-township paratransit service. In the past, paratransit has been available only within a sponsoring township or municipality. This made travel between political jurisdictions difficult for paratransit users. The new paratransit service consolidates townships into groupings which are served by a single carrier, resulting in greater flexibility and convenience for riders.

## West Suburban Cross-Boundary Paratransit

In 1987 the RTA completed a 20month paratransit demonstration, undertaken in conjunction with CTA and Pace, to provide cross-boundary transportation to the mobility limited between Berwyn, Chicago, Cicero, Elmwood Park, Forest Park, Oak Park, River Foresi, and River Grove. CTA and Pace are using the experience gained from this demonstration to plan for ongoing service of this type.

## Rail Corridor Accessibility Program

In cooperation with Pace and Metra, the RTA initiated demonstration rail substitute paratransit along the region's commuter rail corridors. This service became part of the regular services offered by Metra in 1988.



Alfred Cortes (L), CTA, 13 years and William Cooper, 14 years





## TO THE CHAIRMAN OF THE RTA

May 27,1988

Mr. Samuel K. Skinner Chairman Regional Transportation Authority

he Comprehensive Annual Financial Report (CAFR) for the Regional Transportation Authority for the fiscal year ended December 31, 1987, is submitted herewith. The report is presented in a manner designed to fairly present the financial position and results of operation for the RTA as measured by the financial activity of the various funds. The Financial Management Division is responsible for the accuracy of the data presented and the completeness of the presentation.

We believe the data presented is fairly stated in all material aspects and that all disclosures necessary to enable the reader to acquire maximum understanding of

the financial activity of the RTA have been provided.

This report is prepared in accordance with generally accepted accounting principles and in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board (GASB) using guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

#### Contents of CAFR

The Comprehensive Annual Financial Report is composed of two distinct sections: Financial and Statistical.

Financial Section. The independent auditors' report, the general
purpose financial statements, and the notes to the general purpose
financial statements are included in this section. The combined and
individual fund financial statements provide a complete summary of
the financial activities of the RTA and include all fund types and
account groups. They present a combined overview of the RTA's
financial position, changes in financial position of proprietary funds,
and operating results for the fiscal year.

These statements and related notes comprise the General Purpose Financial Statements (GPFS) and may be issued separately from the Comprehensive Annual Financial Report, possibly for inclusion in official statements, bond offerings, or for distribution to users requiring less detailed information.

 Statistical Section. This section consists of the independent auditor's report, and charts and graphs that present historical and operating characteristics of the RTA and the three Service Boards. While the section contains substantial financial information, it is not audited and includes some non-accounting data.

## TO THE CHAIRMAN OF THE RTA (continued)

May 27,1988

### Financial Performance

The operating results for fiscal year 1987 and the related budget operating results are summarized below. Similar data for 1986 is presented for comparative purposes.

		(In Millions)	
	1987	1987	1986
	Actual	Budget	Actual
Revenues and Other Financing Sources:			
Sales Tax	\$386.4	\$381.9	\$368.6
Public Transportation Fund	95.9	94.0	90.2
Federal Operating Grant	52.0	52.0	56.3
All other	17.2	12.8	17.3
Total - Revenues and Other			
Financing Sources	\$551.5	\$540.7	\$532.4
Expenditures and Other Financing Uses:			
Financial Assistance			
to Service Boards	\$459.5	\$455.0	\$470.7
Capital Grants	13.1	47.5	45.6
RTA Administrative	4.8	4.8	4.3
Non-Administrative	4.4	7.9	4.6
Debt Related and Other	32.1	35.4	10.6
Total - Expenditures and Other Financing Uses	\$513.9	\$550.6	\$535.8
Thancing Oscs	φ515.7	φ330.0	\$300.0

Revenue for the fiscal year ended December 31, 1987 was over budget by \$10.8 million and increased by \$19.1 million over 1986. Sales tax revenue exceeded budget by \$4.5 million and increased by \$17.8 million over 1986. Interest income on investments also exceeded budget by \$2.4 million.

Financial assistance to the Service Boards reflects funding based on the 1987 budget with the exception of funding to Metra and payment to each of the Service Boards the interest on Sales Tax payments. The funding from Sales Tax and the Federal Operating Grant to Metra exceeded budget by \$3.7 million. The prior year funding adjustment of \$3.5 million was made subsequent to the 1986 revenue reconciliations.

## TO THE CHAIRMAN OF THE RTA (continued)

May 27,1988

## Significant Accomplishments

The following accomplishments in 1987 are particularly noteworthy with respect to the RTA's financial position:

- · The RTA Strategic Planning effort was completed
- · Service Board claims were settled subsequent to fiscal 1986; and
- A \$52.2 million General Obligation Note was issued on July 1, 1987 and a \$15.7 million General Obligation Note was issued on August 1, 1987 to Chicago Milwaukee Corp for the Acquisition of Milwaukee Road Assets on behalf of Metra. The \$15.7 million note was repaid on October 1, 1987. The notes are prepayable at any time without penalty.

#### Future Outlook

The RTA, like other units of government, is very dependent upon the actions of the state and federal governments to finance its operating and capital programs. Retrenchment at the federal level has resulted in the possibility of reduced federal operating funds and little or no growth in capital grants.

The completed RTA strategic plan underscores the need for significant amounts of capital over the coming years just to maintain the current transit infrastructure. Additionally, funds are needed to finance service expansion to rapidly growing

suburban areas.

Within the region, we continue to face the challenge of allocating finite resources to a diverse, changing area with needs that exceed available funds. RTA staff, in concert with staff at the CTA, Metra and Pace, are presently studying various alternatives to meet this challenge, while providing high-quality, cost-conscious transit service in the six-county Northeastern Illinois region.

We are confident these challenges can be successfully met in the coming years with the continued dedication and hard work that characterized 1987. We look forward to working with you and the RTA Board, and the Boards and staffs at the CTA, Metra and Pace to create the finest public transportation system in the country.

Sincerely.

Theodore G. Weigle, Jr. Executive Director

Daniel R. Leffers
Assistant Executive Director

Budget and Finance

#### TO ELECTED OFFICIALS AND CONCERNED CITIZENS

Elected Officials and Concerned Citizens:

s required by the amended RTA Act and on behalf of the Board of Directors of the Regional Transportation Authority, I am pleased to submit the 1987 Comprehensive Annual Financial Report (CAFR).

The accounting firm of Touche Ross & Company was selected by RTA's Audit Committee to perform this year's audit. In addition to meeting the requirements of the RTA Act, the audit was designed to meet the requirements of the federal single Audit Act of 1984 and related OMB Circular A-128. The auditors report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

This report substantiates the strong financial position of the RTA and reflects the sound fiscal and budget policies adopted by the RTA Board.

We are proud of the progress and accomplishments of the RTA and are committed to fiscal prudence and planning to ensure that the favorable trend in mass transportation in the six-county region of Northern Illinois continues. Your continued interest and support are needed and appreciated.

Sincerely,

David L. DeMotte Chairman of Audit Committee

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Notes to General Purpose Financial Statements	
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The Notes to the General Purpose Financial Statements presented in this section are an integral part of this Comprehensive Annual Financial Report. The notes express significant insight to the financial statements and should be read in conjuction with them.

Touche Ross & Co. One Illinois Center 111 East Wacker Drive Chicago, IL 60601-4342 Telephone: 312 644-8900 Telex: 6871206 TOUCHE ROSS CGO Telecopier: 312 565-0382

## **△**Touche Ross

Board of Directors Regional Transportation Authority Chicago, Illinois

We have examined the combined financial statements and the individual fund financial statements of the Regional Transportation Authority as of and for the year ended December 31, 1987, on pages 24 through 41 as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements and the individual fund financial statements refered to above present fairly the financial position of the Regional Transportation Authority at December 31, 1987, and the results of its operations and the changes in the financial position of its proprietary fund for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touch Poro ; Co.

Chicago, Illinois May 27, 1988

Touche Ross International

## COMBINED BALANCE SHEET

December 31, 1987

	Governmental Fund Types		Proprietary Fiduciary Fund Type Fund Typ		Account Groups		
	General	Debt Service	Joint Self- Insurance		General Fixed Assets	General Long-Term Debt	Total (Memorandum) Only
ASSETS							
CASH AND INVESTMENTS							
Externally restricted:							
Debt service		\$12,944,080					\$12,944,080
Other escrow	\$500,000						500,000
Restricted by RTA:							
Capital grants	81,080,841						81,080,841
Joint self-insurance fund			\$37,676,195				37,676,195
Unrestricted:							
Working cash	10,063,125						10,063,125
RECEIVABLES	,,						
Sales tax receivable	11,147,889			\$63,171,373			74,319,262
Mobility limited grant	3,131,554			, ,			3,131,554
Interest - sales tax receipts	24,153			136,866			161,019
Interest on investment	809,364	190,611	977,584	,			1,977,559
Interagency receivables	463,804	170,011	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				463,804
Due from Joint Self-	100,001						100,001
Insurance Fund	787,407						787,407
Due from CRD (Milw	707,407						707,107
		52,200,000					52,200,000
RR acquisition)	102.221	32,200,000					182,331
UWP	182,331						102,331
ADVANCES	4 252 022						1,252,033
Chicago Transit Authority	1,252,033						2,300,848
Commuter Rail Division	2,300,848						460,133
Suburban Bus Division	460,133		FOT 040				
Deferred issue expenses			725,040				725,040 89,595
Other assets	89,595				0100 220		
Leasehold improvement					\$198,220		198,220
Furniture and equipment					2,260,011		2,260,011
Amount available in debt						¢62 132 721	62 122 721
service fund						\$63,123,731	63,123,731
Amount to be provided for							
retirement of general long-term debt						25,881,269	25,881,269
TOTAL ASSETS	\$112,293,077	\$65,334,691	\$39,378,819	\$63,308,239	\$2,458,231	\$89,005,000	\$371,778,057

The accompanying notes to the financial statements are an integral part of this statement.

## COMBINED BALANCE SHEET (continued)

December 31, 1987

	Governmenta	l Fund Types	Proprietary Fund Type	Fiduciary Fund Type	Accoun	t Groups	
	General	Debt Service	Joint Self- Insurance	Agency	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only
LIABILITIES AND FUND EQ	UITY						
LIABILITIES:							
Vouchers payable Capital assistance: Local Match and	\$824,570						\$824,570
RTA 100% Sales tax due to service board	448,628						448,628
Chicago Transit Authority	.i:			\$32,570,958			32,570,958
Commuter Rail Division				23,446,373			23,446,373
Suburban Bus Division				7,154,042			7,154,042
Interest on sales tax due to Service Boards:							
Chicago Transit Authority				70,411			70,411
Commuter Rail Division				50,914			50,914
Suburban Bus Division				15,541			15,541
Due to general fund			\$787,407				787,407
Accrued interest		\$2,210,960					2,210,960
Accrued other expenses	528,678						528,678
Claims liability	4,005,287						4,005,287
Long-term lease obligation	16,538						16,538
General obligation notes, series 1987A						\$52,200,000	52,200,000
General obligation bonds, series 1986A						36,805,000	36,805,000
TOTAL LIABILITIES	5,823,701	2,210,960	787,407	63,308,239	-	89,005,000	161,135,307
FUND FOLLTY							
FUND EQUITY: Contributed capital Investment in general fixed			36,000,000				36,000,000
assets					2,458,231		2,458,231
Retained earnings			2,591,412		2,100,201		2,591,412
Fund balance:			2,071,112				2,0 > 1,112
Reserved for local							
match-capital grants	76,180,271						76,180,271
Reserved for capital	, ,						
project not funded by							
UMTA or IDOT	4,451,942						4,451,942
Reserved for debt service		63,123,731					63,123,731
Available for current							
appropriations	25,837,163						25,837,163
TOTAL FUND EQUITY	106,469,376	63,123,731	38,591,412	-	2,458,231	-	210,642,750
TOTAL LIABILITIES	\$112 293 077	\$65 334 601	\$30 378 810	\$63 308 230	\$2.458.221	\$89,005,000	\$371,778,057
AND FUND EQUITY	\$112,293,077	\$65,334,691	\$39,378,819	\$63,308,239	\$2,458,231	\$69,005,000	\$3/1,//8,U5/

The accompanying notes to the financial statements are an integral part of this statement.

## Combined Statement Of Revenues, Expenditures And Changes In Fund Balances

December 31, 1987

	Governmental Fund Type		Total
	General Fund	Debt Service Fund	(Memorandum Only)
REVENUES:			
Retailers' occupation and use tax (sales tax)	\$57,965,819		\$57,965,819
Public transportation fund	95,894,940		95,894,940
Interest - sales tax receipts	131,319		131,319
Federal operating assistance grant	52,000,000		52,000,000
Interest:	10.211.57/		10.244.576
General fund	10,244,576	\$442,175	10,244,576
Self-Insurance funds Other grants and reimbursements	1,948,793 3,547,609	5442,175	2,390,968 3,547,609
Other grants and reinibursements	3,347,009		3,347,009
TOTAL REVENUES	221,733,056	442,175	222,175,231
EXPENDITURES:			
Financial assistance to service boards: Operating grants:			
Chicago Transit Authority	116,570,650		116,570,650
Commuter Rail Division	4,576,000		4,576,000
Suburban Bus Division	11,512,909		11,512,909
Capital grants	10,772,988		10,772,988
Administration	4,756,886		4,756,886
Non-Administration:			
Travel Information Center	2,228,160		2,228,160
Other regional costs	2,198,976		2,198,976
Debt related:			
Principal		18,895,000	18,895,000
Interest	2,809,839	4,579,005	7,388,844
Other Fixed asset additions	377,410 1,713,307		377,410 1,713,307
	3,532,500		3,532,500
Financial assistance - prior year			
TOTAL EXPENDITURES	161,049,625	23,474,005	184,523,630
Excess (deficiency) of revenues over expenditures	60,683,431	(23,031,830)	37,651,601
OTHER FINANCING SOURCES (USES):			
Proceeds from the issuance of debt-net Operating transfer in (out):		64,000,000	64,000,000
Principal	(12,621,591)	12,621,591	-
Interest	(4,637,481)	4,637,481	-
Contribution	(2,500,000)		(2,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	(19,759,072)	81,259,072	61,500,000
Excess of revenues and other financing sources	10.021.270	50 225 245	00.451.603
over expenditures and other uses	40,924,359	58,227,242	99,151,601
Fund balance - January 1	65,545,017	4,896,489	70,441,506
Fund balance - December 31	\$106,469,376	\$63,123,731	\$169,593,107

The accompanying notes to the financial statements are an integral part of this statement.

## COMBINED BUDGETARY BASIS STATEMENT OF REVENUES AND EXPENDITURES (Budget And Actual)

December 31, 1987

			Actual			Budget
	General Fund	Debt Service Fund	Joint Self- Insurance Fund	Agency Fund	Combined Funds	Combined Funds
REVENUES:						
Retailers' occupation and use tax (sales tax) Public transportation fund Interest - sales tax receipts Federal operating assistance grant Interest:	\$57,965,819 95,894,940 131,319 52,000,000			\$328,472,975 744,138	\$386,438,794 95,894,940 875,457 52,000,000	\$381,900,000 94,000,000 - 52,000,000
General fund Debt service funds Other grants and reimbursements	10,244,576 1,948,793 3,547,609	\$442,175	\$141,838		10,244,576 2,532,806 3,547,609	7,820,000 2,260,000 2,678,000
TOTAL REVENUES	221,733,056	442,175	141,838	329,217,113	551,534,182	540,658,000
EXPENDITURES:						
Financial assistance to service boards: Operating grants: Chicago Transit Authority Commuter Rail Division Suburban Bus Division	116,570,650 4,576,000 11,512,909			169,282,349 119,683,535 37,177,091	285,852,999 124,259,535 48,690,000	285,853,000 120,510,430 48,690,000
Capital grants 1987: Chicago Transit Authority Commuter Rail-Division Suburban Bus Division	182,083			2,330,000	182,083 2,330,000	27,676,700 6,412,570 13,380,000
Capital grants - prior year Administration	10,590,905 4,756,886				10,590,905 4,756,886	4,812,840
Non-Administration: Travel Information Center Provision for claims	2,228,160				2,228,160	2,353,000 3,000,000
Other regional costs Debt related: Principal	2,198,976	18,895,000			2,198,976 18,895,000	2,508,291 24,700,000
Interest Other Interest Expenses:	2,809,839 377,410	4,579,005	162,080		7,388,844 539,490	7,674,630 1,000,000
Sales Tax Interest/Service Boards: Chicago Transit Authority Commuter Rail Division Suburban Bus Division Fixed asset additions Prior year funding adjustment	1,713,307 3,532,500			383,367 276,558 84,213	383,367 276,558 84,213 1,713,307 3,532,500	2,000,000
TOTAL EXPENDITURES	161,049,625	23,474,005	162,080	329,217,113	513,902,823	550,571,461
Excess (deficiency) of revenues over expenditures	60,683,431	(23,031,830)	(20,242)	-	37,631,359	(9,913,461)
OTHER FINANCING SOURCES (USES) Other sources Operating transfer in (out): Principal Interest Contribution	(12,621,591) (4,637,481) (2,500,000)	64,000,000 12,621,591 4,637,481	2,500,000		64,000,000	11,800,000
TOTAL OTHER FINANCING SOURCES (USES)	(19,759,072)	81,259,072	2,500,000	-	64,000,000	11,800,000
Excess of revenues and other financing sources over expenditures and other uses	\$40,924,359	\$58,227,242	\$2,479,758	-	\$101,631,359	\$1,886,539

## STATEMENT OF CHANGES IN FUND BALANCE

December 31, 1987

	Reserved for			
	Capital Grants	Capital Projects Not Funded By UMTA or IDOT	Available for Current Appropriations	Total
Balance December 31, 1986	\$38,984,000	\$8,954,000	\$17,607,017	\$65,545,017
Revenues and other sources over expenditures and other uses			40,924,359	40,924,359
Additional reserves: From 1987 budget	44,957,487		(44,957,487)	
Grants to service divisions transferred to reserves	(7,761,216)	(4,502,058)	12,263,274	
Balance December 31, 1987	\$76,180,271	\$4,451,942	\$25,837,163	\$106,469,376

AGENCY FUND

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

December 31, 1987				
	Balance December 31, 1986	Additions	Deductions	Balance December 31,1987
ASSETS:				
Retailers' occupation and use tax (sales tax) receivable Interest on sales tax	\$60,741,193	\$328,472,975 744,138	\$326,042,795 607,272	\$63,171,373 136,866
Total Assets	\$60,741,193	\$329,217,113	\$326,650,067	\$63,308,239
LIABILITIES:				
Sales tax distribution due to service boards: Chicago Transit Authority Commuter Rail Division Suburban Bus Division	\$31,714,147 22,259,791 6,767,255	\$169,282,349 122,013,535 37,177,091	\$168,425,538 120,826,953 36,790,304	\$32,570,958 23,446,373 7,154,042
Sub Total	60,741,193	328,472,975	326,042,795	63,171,373
Interest on sales tax due to service boards: Chicago Transit Authority Commuter Rail Division Suburban Bus Division	<u>.</u>	383,367 276,558 84,213	312,956 225,644 68,672	70,411 50,914 15,541
Sub Total	-	744,138	607,272	136,866
Total Liabilities	\$60,741,193	\$329,217,113	\$326,650,067	\$63,308,239

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Decem	hor 31	1987	

Sources of working capital: Net income Amortization of deferred issue expense Net increase in working capital	\$2,479,758 150,016 \$2,629,774
Elements of net increase (decreases) in working capital:	
Cash and Investments Accrued interest Due to general fund	\$2,576,597 840,584 (787,407)

IOINT SELF-INSURANCE FUND

Net increase in working capital

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

### December 31, 1987

Operating Revenues: Interest income	\$141,838
Operating Expenses: Professional fees Issuance cost - series 1986A bonds	12,064 150,016
Total Operating Expenses	162,080
Operating deficit	(20,242)
Non-Operating Revenues: Operating transfer in	2,500,000
Net Income	2,479,758
Retained earnings at beginning of year	111,654
Retained earnings at end of year	\$2,591,412

The accompanying notes to the financial statements are an integral part of this statement.

\$2,629,774

### NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Fiscal Year Ended December 31, 1987

#### NOTE 1 - REPORTING ENTITY

The RTA was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois region. The operating responsibilities of the RTA are set forth in the RTA Act. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services. However, in 1983 the Illinois General Assembly reorganized the structure and funding of the RTA from an operating entity to a planning and oversight entity. The reorganization placed all operating responsibilities in the Chicago Transit Authority (CTA) and two operating divisions of the RTA: A Commuter Rail Division ("Metra"), and a Suburban Bus Division ("Pace"), each having its own independent board. These divisions conduct operations and deal with subsidized carriers.

The RTA has the responsibility to supervise the budgets and financial condition of the CTA, Metra and Pace. The RTA Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA's system as a whole achieve annually a "system generated revenue recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50% of the cost of the transportation services.

Governmental accounting and financial reporting standards as established by Statement 3 and Interpretation 7, "Defining the Governmental Reporting Entity", issued by the National Council of Governmental Accounting and adopted by the Governmental Accounting Standards Board, require disclosure in the notes of governmental financial statements of the results of applying Statement 3 and Interpretation 7 criteria to specific affiliated organizations. The assets, liabilities, revenues, and expenditures (or expenses as appropriate) of all affiliated organizations determined under Statement 3 and Interpretation 7 to be part of a governmental reporting entity generally must be included on the face of its financial statements. Thus, it is necessary to determine whether Metra, Pace and the CTA are part of the RTA Statement 3 and Interpretation 7 reporting entity.

The basic Statement 3 and Interpretation 7 criteria for determining whether an affiliated organization is part of a governmental reporting entity is the exercise of oversight responsibility. Statement 3 and Interpretation 7 set forth various manifestations of oversight responsibility (responsibility for financing deficits, entitlements to surpluses, guarantees of "moral responsibility" for debt, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, etc.) which indicate that an affiliated organization should be included within the Statement 3 and Interpretation 7 reporting entity.

Statement 3 and Interpretation 7 provide that an affiliated organization generally should be included within a governmental reporting entity, regardless of the degree of oversight responsibility, if its activities are (1) for the benefit of the reporting entity and/or its residents, (2) conducted within the geographic boundaries of the reporting entity, and (3) generally available to the citizens of the reporting entity.

In the judgement of RTA management and with the concurrence of the RTA's auditors, analysis and application of Statement 3 and Interpretation 7 criteria

Fiscal Year Ended December 31, 1987

indicates that, while the RTA does exercise some fiscal oversight, Metra, Pace and the CTA are not part of the RTA reporting entity for purposes of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards. Accordingly, financial statements for Metra, Pace and the CTA are not included or combined with the RTA's financial statements in this report. They are combined, however, in the Pro-Forma Combining Annual Financial Report. The Pro-Forma Combining Annual Financial Report is a statutorily required report and is not required under governmental accounting and financial reporting standards.

In arriving at this conclusion, the following factors were considered:

- The CTA, Metra and Pace maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters including: ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The CTA, Metra and Pace are also responsible for the purchase of services and approval of contracts relating to their operation.
- Except for the Chairman of the CTA Board of Directors who is also an RTA
  Board member, the boards of directors of each service division are completely
  independent of the RTA Board. The RTA Board has control neither in the
  selection nor appointment of any Service Board director nor of any of its management. Further, directors of the CTA, Metra, and Pace are excluded from
  serving on more than one entity's board of directors, including that of the RTA.
- Metra, Pace and the CTA provide services to different geographic areas within
  the six county region. Metra provides transit service to the six county area with
  the majority of the transit riders residing in the suburban metropolitan area
  and commuting into the City of Chicago. Pace's primary service area is the
  suburban communities with limited service to areas within the City of Chicago.
  The CTA provides service to the City of Chicago and thirty-nine neighboring
  suburbs within Cook County. Although programs are underway to increase
  the transfer of ridership between the service entities, trips of this type presently
  represent a minority of those taken.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Regional Transportation Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

### A. Fund Accounting

The accounts of the RTA are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. RTA resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be utilized and the means by which spending activities are controlled. In the financial statements, the various funds are grouped into three broad fund types and four generic fund categories as shown below.

Fiscal Year Ended December 31, 1987

### GOVERNMENTAL FUND TYPES

RTA governmental fund types consist of the general fund, debt service fund and debt service reserve fund. The measurement focus is based upon determination of changes in financial position, rather than upon income determination

### General Fund

The General Fund is the general operating fund of the RTA. It is used to account for all financial transactions that are not specifically required to be accounted for in another fund.

### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. RTA general ordinance also established a Debt Service Reserve Fund to be maintained by the Trustee for the sole benefit of the holders of bonds, and to be applied and used solely for the payment of bond principal and interest. The Debt Service Fund and Debt Service Reserve Fund are combined for financial statement presentation.

### PROPRIETARY FUND TYPE

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is based upon determination of net income. The RTA has one proprietary fund which relates to the activities of the Joint Self-Insurance fund.

### Joint Self-Insurance Fund

The purpose of the Joint Self-Insurance Fund is to provide a source from which to pay substantial damage claims incurred by the Service Boards and arising out of personal injuries, property damage and certain other losses. The Self-Insurance Agreement provides that the Joint Self-Insurance Fund is not available to pay principal or interest on the Series 1986A Bonds which were issued to establish the Joint Self-Insurance Fund.

### FIDUCIARY FUND TYPE

Fiduciary funds account for assets held by a governmental entity in a trustee capacity or as an agent for others. The RTA's fiduciary fund consists of an Agency fund. Because agency funds are custodial in nature (assets equal liabilities), they do not involve the measurement of results of operation.

### Agency Fund

The Agency Fund records the receipt and disbursement of the Retailers' Occupation and Use Tax (sales tax) and the interest on this tax due to the CTA, Metra and Pace. Required sales tax revenues are accrued in the Agency Fund and are equally offset by a liability to the Service Boards. For purposes of the budget, additions to and disbursements from the Agency Fund are considered to be revenues and expenditures, respectively. In accordance with generally accepted accounting principles for governmental entities, these are additions to and deductions from Agency Fund assets and liabilities, respectively.

### Fiscal Year Ended December 31, 1987

### B. Fixed Assets and Long-Term Liabilities

Account groups are used to establish accounting control and accountability for fixed assets and general long-term liabilities. Account groups are not funds, and therefore, are not involved in the measurement of the results of operations. The following are the RTA's account groups:

### General Fixed Assets Account Group

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than governmental funds. Depreciation is not recognized in accordance with standard governmental accounting practices. General fixed assets are acquired for the purpose of providing governmental services at the RTA and not for the production of services that are sold. When purchased, such assets are recorded as expenditures in the General Fund and capitalized in the General Fixed Assets Account Group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

### General Long-Term Debt Account Group

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. RTA use of this account group relates to bonds sold in 1986 to establish a Joint-Self Insurance Fund for transit operations and the Notes issued in 1987 for the Acquisition of Milwaukee Road Assets on Behalf of Metra.

### C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

All governmental funds and the Agency Fund are accounted for using the modified accrual basis of accounting, i.e. revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred. Sales taxes are considered measurable when levied by the State and collected by the retailer.

Proprietary funds are accounted for using the accrual basis of accounting. Therefore, revenues are recognized when earned and measurable, and expenses are recognized when they are incurred.

### D. Assets, Liabilities and Fund Equity

#### ASSETS

#### Cash and Investments

All excess General Fund cash is invested and earnings are credited to the General Fund for use in financing general RTA operations. (A detailed analysis of cash and investments is presented in Note 6)

### Receivables

Accounts receivable include amounts due from local and state governments for sales taxes and specific programs and projects.

### Fiscal Year Ended December 31, 1987

#### Advances

The advance represents a receivable due from the Service Boards for RTA discretionary funding in excess of the 1987 budget.

### Restricted Assets

Proceeds from debt and amounts set aside for payment of proprietary fund general obligation debt are classified as restricted assets since their use is limited by bond indenture.

#### Fixed Assets

General fixed assets are acquired for the purpose of providing governmental services at the RTA and not for the production of services that are sold. When purchased, such assets are recorded as expenditures in the General Fund and capitalized in the General Fixed Assets Account Group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

### LIABILITIES

### Capital Assistance Payable

These amounts represent the accrued financial assistance due the CTA and Metra at December 31, 1987.

### FUND EQUITY

#### Fund Balance

Portions of the fund balances of the general and debt service funds are reserved by the RTA for specific purposes as follows:

Reserved for local match - capital grants is a restriction of RTA's fund balance to provide the local portion of Urban Mass Transportation Administration (UMTA) and Illinois Department of Transportation (IDOT) funded capital projects.

Reserved for capital projects not funded by UMTA or IDOT is that portion of the RTA's fund balance reserved to fund the Service Boards' capital projects paid for entirely by the RTA.

Reserved for debt service represents the portion of fund balance for debt service resources legally restricted for the payment of long term debt principal and interest amounts maturing in future years.

### Contributed Capital

Contributed capital is the amount of permanent fund capital contributed to the Joint Self-Insurance Fund from the proceeds of the bond issue.

### E. Revenues

The RTA has four principal sources of revenue and other financing sources: (1) retailers' occupation taxes, service occupation taxes, and use taxes (collectively, "Sales Taxes"); (2) funds appropriated to the RTA by statute through the State's Public Transportation Fund established under the Act; (3) funds in respect of state or federal grants, loans, or any other such funds, which the RTA is authorized to apply for and receive under the Act; and (4) the proceeds of any borrowings by the RTA.

Fiscal Year Ended December 31, 1987

#### TAXES

Sales Taxes are imposed by the RTA and collected by the Illinois Department of Revenue for the RTA pursuant to the Act, in the amount of 1% within Cook County, of: (i) the gross receipts of such sales made; (ii) the "cost price" of tangible personal property used within Cook County; and (iii) the selling price of tangible personal property used within Cook County. In addition, a sales tax of 0.25% is imposed on the items referred to in the preceding clauses (i)-(iii) in the collar counties of DuPage, Kane, Lake, McHenry, and Will.

All such taxes are collected by retailers and remitted to the Illinois Department of Revenue by the end of the month following the month of sale (the liability month). The taxes are paid to the Treasurer of the State of Illinois in trust for the RTA. By the 25th day of each month, the Department of Revenue is required to certify to the State Comptroller the amount required to be paid to the RTA. Within 10 days after such certification, the Comptroller is required to order payment of such amount to the RTA.

The Act provides that the RTA withhold 15% of the tax revenues generated and these revenues are deposited into the RTA's general fund. The RTA is required to pass on to the Service Boards, pursuant to statutory formula, an amount equal to the remainder of such tax revenues. The remaining 85% of sales tax is allocated to the Service Boards as follows:

Service Board	Collected Within Chicago	Collected Within Cook County Outside Chicago	Collected in DuPage, Kane, Lake,McHenry and Will Counties
CTA	100%	30%	_
Metra	-	55%	70%
Pace	-	15%	30%

The RTA recognizes as a receivable and revenue in the General Fund only the 15% of the total sales taxes collected to which it is entitled by the amended Act. The criteria applied for recognition of the receivable and related revenue are that the amounts are "measurable and available" for the RTA to meet its current obligations.

### PUBLIC TRANSPORTATION FUND (PTF)

In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's general revenue fund to a special fund in the State Treasury designated the "Public Transportation Fund" an amount equal to 25% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) imposed by the Board. These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the Public Transportation Fund through its 1988 fiscal year which will end June 30, 1988.

None of the revenues from the Public Transportation Fund are payable to the RTA unless and until it certifies to the Governor, State Comptroller, and Mayor of the City of Chicago that the RTA has adopted a budget and financial plan as called for by the Act.

Fiscal Year Ended December 31, 1987

The amounts allocable to each of the Service Boards from funding received by the RTA from the State's Public Transportation Fund are allocated at the discretion of the RTA Board in connection with the review and approval of the annual and revised budgets of each Service Board. The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided that the RTA has adopted a balanced budget pursuant to Section 4.01 of the Act, and the Service Board that is to receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

### FEDERAL OPERATING ASSISTANCE GRANT

A grant is provided to the RTA under Section 9 of the Federal Urban Mass Transportation Act. The revenue is recognized on the modified accrual basis in the year funds are actually received based upon final approval of the grant. All funds received under this grant are subsequently "passed through" to the Service Boards.

### F. Expenditures and Expenses

Financial assistance to Service Boards consists of operating assistance to the CTA, Metra and Pace. The RTA provides operating assistance to the Service Boards to fund in part their RTA approved budget.

Capital grants - local match are those portions of UMTA and IDOT funded capital projects which are funded by the RTA as "local share" for the region (generally amounting to 20% of the total project amount).

Capital grants - 100% funded by the RTA are those items not funded by UMTA and/or IDOT, but are completely funded by the RTA.

Non-Administration consists of those costs of the RTA which are exempt from the statutory cap. These costs include the operation of the Travel Information Center; strategic, capital and financial planning; and other costs incurred on behalf of the Service Boards.

Administration consists of those costs of the RTA incurred to carry out its regional funding and administrative activities. These costs were limited by statute to no more than \$5,512,500 for 1987.

### G. "Memorandum Only " Total Columns

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Also, such data is not comparable to a consolidation. Therefore, interfund eliminations have not been made in the aggregation of this data.

#### NOTE 3 - BUDGET AND BUDGETARY ACCOUNTING

Section 4.01(a) of the RTA Act requires the RTA to prepare and adopt a comprehensive annual budget and program presenting the RTA's planned operations and capital expenditures for the forthcoming year. The Act provides that the budget must show a balance between anticipated revenues and anticipated expenditures.

Fiscal Year Ended December 31, 1987

The annual budget and related appropriation are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Expenditures may not exceed budgeted appropriations except by RTA Board approval. It is the policy of the RTA to fund the budgets of the Service Boards, up to the amount appropriated in the annual Budget Ordinance. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provision:

- The first source of funds to be credited against the budgeted funding amount is from UMTA operating assistance grants;
- The second source of funds to be credited against the budgeted funding amount is from 85% sales tax receipts;
- 3. The third source of funds to be credited against the budgeted funding amount is from PTF receipts; and
- 4. The fourth source of funds credited against the budgeted funding amount is from RTA 15% and other discretionary receipts.

For capital expenditures, the payment of PTF funds, 15% funds and other discretionary funds of the RTA shall be made under the terms and condition of a grant agreement governing such capital expenditures.

### NOTE 4 - COMMITMENTS AND CONTINGENCIES

A. The RTA has various operating lease agreements for facilities and equipment. Operating lease expenditures totaled \$397,000 in 1987. Minimum annual rental payments by the RTA for the following years are:

Year	Amount (in thousands)
1988	\$ 453
1989	453
1990	453
1991	453
1992 and beyond	604
	\$2,416

The building lease agreement provides that the RTA shall reimburse the lessor for any or all additional rent attributable to the cost of operating and maintaining the premises that the lessor may incur during the term of the lease agreement.

B. The RTA is a defendant or respondent in various lawsuits and administrative proceedings. A liability of \$4.0 million has been recorded based on pending litigation and claims filed against the RTA. In opinion of the RTA management, the ultimate resolution of these lawsuits will not have a material effect on the RTA's financial position or its results of operations.

Fiscal Year Ended December 31, 1987

#### NOTE 5 - LONG-TERM DEBT

Changes during the year in long-term debt were as follows

	General	General	
	Obligation Notes	Obligation Bonds	Total
Long-term obligation	Notes	Bonus	10ta1
at December 31, 1986	-	\$40,000,000	\$40,000,000
Issuance of new debt	\$67,900,000	-	67,900,000
Current maturities	(15.700.000)	(2.105.000)	(10.005.000)
and retirements Long-term obligation	(15,700,000)	(3,195,000)	(18,895,000)
at December 31, 1987	\$52,200,000	\$36,805,000	\$89,005,000

### 1987 GENERAL OBLIGATION NOTES

On August 6, 1987 the RTA Board of Directors adopted Ordinance No. 87-51 to issue 8% General Obligation Notes, Series 1987A and 1987B in the amount of \$52,200,000 and \$15,700,000 respectively. The purpose of the issue is to acquire certain remaining commuter assets of the Chicago, Milwaukee, St. Paul and Pacific Railroad on behalf of Metra, the commuter rail division of the RTA.

The Series 1987A Note dated July 1, 1987 is payable as to principal as follows: \$20,000,000 on September 30, 1988; and \$32,200,000 on July 1, 1989. The entire principal amount of the Series 1987B Note dated August 1, 1987 was repaid on October 1, 1987.

An agreement dated July 14, 1987 between the RTA and Metra stipulates that Metra will repay the RTA the principal sum of \$67,900,000 in ten equal annual installments, without interest, beginning December 31, 1988, with final payment due December 31, 1997. In September 1987, Metra repaid RTA \$11.8 million with the UMTA grants which were used to retire the Series 1987B Note. The RTA forgave \$3.9 million of this receivable and accordingly made the corresponding balance of the 1987B Note repayment with its own financial resources. The remaining receivable from Metra at December 31, 1987 is \$52,200,000.

### 1986 GENERAL OBLIGATION BONDS:

On November 1, 1986, the RTA issued \$40 million General Obligation Bonds, Series 1986A, to establish a Joint Self-Insurance Fund for the RTA, CTA, Metra and Pace. The purpose of the Joint Self-Insurance Fund is to provide a source from which to pay substantial damage claims above retained limits payable by any of the participants arising out of personal injuries, property damage and certain other losses and damages. The Self-Insurance Agreement provides that the Joint Self-Insurance Fund is not available to pay the principal or interest on the Series 1986A Bonds.

Proceeds from the sale of the Series 1986A Bonds were distributed as follows:

Deposit to the Joint Self-Insurance Fund	\$35,099,600
Deposit to the Debt Service Reserve Fund	4,000,000
Cost of Issuance (including Underwriters' Discount)	900,400
Total	\$40,000,000

Fiscal Year Ended December 31, 1987

The Series 1986A Bonds will mature on November 1 over a ten-year period and interest will be payable at rates ranging from 4.0% to 6.2% on May 1, 1987 and semi-annually thereafter on November 1 and May 1 in each remaining year.

Principal and interest requirements on the Series 1986A Bonds for each year ending November 1 are set forth below:

Year	Principal	Interest	Total
1987	\$ 3,195,000	\$ 2,155,223	\$ 5,350,223
1988	3,325,000	2,027,423	5,352,423
1989	3,475,000	1,877,798	5,352,798
1990	3,640,000	1,712,735	5,352,735
1991	3,820,000	1,530,735	5,350,735
1992	4.025.000	1,330,185	5,355,185
1993	4.245.000	1,108,810	5,353,810
1994	4.485.000	866,845	5,351,845
1995	4,750,000	602,230	5,352,230
1996	5,040,000	312,480	5,352,480
	\$40,000,000	\$13,524,464	\$53,524,464

The Series 1986A Bonds are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The Series 1986A bonds are payable from all revenues and all other funds received or held by the Authority (except amounts in the self-insurance fund and amounts required to be held or used with respect to separate ordinance obligations), that lawfully may be used for retiring the debt.

The Series 1986A Bonds are secured by an assignment of and lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the Trustee by officials of the State of Illinois. Any amounts not needed to make the required monthly deposits for the Series 1986A Bonds or other Authority obligations, or for deposit in the Debt Service Reserve Fund, are to be paid monthly to the RTA by the Trustee.

Under the RTA Act, the CTA's, Metra's, and Pace's farebox receipts and funds on hand are not available for payment of debt service on the Series 1986A Bonds.

The underwriters discount and issue expense for the 1986A Bonds totaled \$900,400. This amount will be recorded as expenditures in the Joint Self-Insurance Fund over the life of the bond issue based on the average outstanding balance of the bonds.

### NOTE 6 - CASH AND INVESTMENTS

#### Balance Sheet

The captions on the combined balance sheet related to cash and investments and the amounts in the Total (Memorandum Only) column are as follows:

	Total (Memorandum Only)
Cash	\$ 3,015,062
Investments	139,249,179
Total Cash & Investments	\$142,264,241

Fiscal Year Ended December 31, 1987

#### Investments

Section 702.20(ii) of the RTA Act authorizes the Authority to invest any funds or monies not required for immediate use or disbursement. The applicable statutory provisions governing the investment of public funds are found in III. Rev. Stat. Ch. 85, Sec. 901, et. seq.

The Authority passed an investment policy in November, 1987. This policy is in accordance with the Illinois statutes and allows the RTA to invest in 1) certain obligations of the U.S. Government and its agencies; 2) interest-bearing certificates of deposit, interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short term obligations of corporations organized in the United States with assets exceeding 800 million and rated within the three highest classifications established by at least two standard rating services; 4) certain money market mutual funds; 5) state treasurer's investment pool; and 6) repurchase agreements.

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name.

	Cates	gory	Carrying	Market
	1		Amount	Value
Repurchase				
Âgreements	\$ 24,000,000		\$ 24,000,000	\$ 24,000,000
Commercial Paper	49,763,786		49,763,786	49,763,786
Fannie Maes	12,275,000		12,275,000	12,275,000
Certificates of				
Deposit	2,200,000	\$400,000	2,600,000	2,600,000
U.S. Treasury				
Bills/Notes	50,610,393		50,610,393	50,704,343
Total Investments	\$138,849,179	\$400,000	\$139,249,179	\$139,343,129

### NOTE 7 - DEFERRED COMPENSATION

The deferred compensation plan is an arrangement which permits RTA employees, on a voluntary basis, to authorize a portion of salary withheld through payroll deduction. The deductions are forwarded to the plan administrator for investment on behalf of the employees. Neither the amount withheld nor earnings on the investments are subject to current Federal Income Tax.

As of December 31, 1987, seventeen RTA employees participate in the plan. The plan is administered by a third party administrator and has a total value of \$365,000.

Fiscal Year Ended December 31, 1987

#### NOTE 8 - PENSION

The RTA participates, along with Metra and Pace, in a multi-employer noncontributory defined benefit cost sharing pension plan and trust (RTA Pension Plan and Trust), covering substantially all employees not otherwise covered by a union pension plan. Responsibilities for administering the plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors. The plan is classified as a "governmental plan" and, is therefore, generally exempt from the provision of the Employee Retirement Income Security Act of 1974. The plan operates on a calendar fiscal year.

Separate employer contribution accounts were set up for the RTA, Pace and Metra. Contribution expense is accrued by the RTA, Metra and Pace concurrent with the establishment of each employer/employee account.

The Plan provides normal early retirement and disability benefits determined as a percentage of the participant's average annual compensation in the three completed plan years of highest compensation. Prior service credits are provided to participants employed prior to July 1, 1984 who were employed on a full-time basis prior to their employment with the RTA by another governmental entity or by certain providers of transportation services. (Prior service credits for participants employed after June 30, 1984 were eliminated with the 1984 amendments to the Plan).

Prior to July 1, 1979 contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 20 years. (Prior to 1985 the excess was amortized over a ten year period).

Funding requirements for the Plan are made by an independent actuary. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year. Certain directors and person hired after age 60 are allowed to participate in the plan. 100% vesting occurs after five years service and benefit accruals are provided for participants over age 65.

Actuarial assumptions related to interest assume a 8.0% annual compounded rate of return on investments, and assumptions for salary increases assume a 6% annual compounded rate. The total present value of accumulated benefits is \$10.6 million compared with assets at market value available for benefits of \$16.7 million. This valuation is also based upon 704 active participants in the plan at December 31, 1987, of which 73 are employed by the RTA. During 1987 the RTA paid a total of \$260,900 to the combined Plan. The RTA contribution allocation as determined by the actuary for 1987 was based upon 12.2% of all plan participants.

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The Statistical Section presents comparative statistical data related to revenues, expenses, service characteristics and population for the past ten years, except as noted.

Touche Ross & Co. One Illinois Center 111 East Wacker Drive Chicago, IL 60601-4342 Telephone: 312 644-8900 Telex: 6871206 TOUCHE ROSS CGO Telex: 6971206 TOUCHE ROSS CGO

# **△**Touche Ross

Board of Directors Regional Transportation Authority Chicago, Illinois

We have examined the combined financial statements and the individual fund financial statements of the Regional Transportation Authority as of and for the year ended December 31, 1987, on pages 24 through 41 as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The statistical data on pages 44 through 51 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the examination of the basic financial statements and, accordingly, we express no opinion on such statistical data.

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Touche Ross International

# STATEMENT OF REVENUES AND EXPENSES (In Thousands)

Last Ten Fiscal Years

Revenues:	12 Months Ended 06/30/78	12 Months Ended 06/30/79	15 Months Ended 09/30/80**	12 Months Ended 09/30/81*
	,,		. , ,	
State public transportation Fund:				
Regional sales tax (3/32 of total)	\$110,595	\$121,230	\$77,890	\$ -
Motor vehicle registration fees	16,163	17,064	5,458	-
Operating assistance grant	-	-	-	-
Retailers' occupation and use tax			220 500	274 122
(sales tax)	12.526	74,883	229,500 33,846	274,123
Public transportation tax (gas tax)	43,536	74,883 79,925		1,353
Federal operating assistance grants	49,290	79,925	130,576	30,819
Contribution from the City of Chicago	5,000	5,000	6,250	5,000
and Cook County*	5,000	5,000	6,230	5,000
Federal special rail grant	869	839	255	499
Other federal grants	009	039	233	499
Mobility Limited grant Interest	1,453	3,805	6,749	5,247
Sales of tax benefits	1,433	3,003	0,747	5,247
Other	38	1,075	1,423	1,430
Total Revenues	226,944	303,821	491,947	318,471
Expenses:				
Financial assistance provided to:				
Chicago Transit Authority	141,447	185,500	343,952	279,075
Commuter Rail Network	49,441	57,866	90,894	68,574
Suburban Bus System	16,368	23,574	39,213	34,092
Prior year budget variance	-	-	-	-
Travel Information Center	3,194	4,036	4,243	2,390
Administration	7,889	9,337	14,619	12,757
Other regional costs	-	-	-	-
Interest	907	2,643	5,146	4,441
Capital grants	-	-	-	-
Debt Retirement				
Other	-	-	-	-
Total expense before depreciation	219,246	282,956	498,067	401,329
Depreciation	2,217	4,444	9,760	11,087
Total Expenses	221,463	287,400	507,827	412,416

<sup>\*</sup> Starting July 1, 1983 these contributions were made directly to the Chicago Transit Authority.

<sup>\*\*</sup> Restated, see Note 3 to fiscal 1983 financial statements.

<sup>\*\*\*</sup> This pro-forma statement of revenues and expenses is presented only for information and comparative purposes. As discussed in Notes 1 and 2 of the 1984 financial statements, the restructured RTA has adopted the governmental fund model.

			<u> </u>		
12 Months Ended 09/30/82**	15 Months Ended 12/31/83	12 Months Ended 12/31/84***	12 Months Ended 12/31/85**	12 Months Ended 12/31/86	12 Months Ended 12/31/87
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	18,750	98,600	84,830	90,264	95,895
278,470	376,613	328,377	342,441	368,579	386,439
655	504	349	-	169	-
72,427	70,582	46,323	57,931	56,286	52,000
5,000	3,750	-	-	-	-
20,000	15,000	-	-	-	-
802	1,381	538	520	-	280
-	-	-	-	2,496	1,272
5,387	8,650	5,430	7,644	14,274	12,777
-	1,048		-	-	-
2,807	2,487	1,025	709	402	2,871
385,548	498,765	480,642	494,075	532,470	551,534
229,965	309,213	246,825	290,292	294,270	285,853
49,670	101,755	102,848	106,696	120,932	124,260
27,078	42,329	38,639	42,572	48,656	48,690
-	-	-	-	38,131	3,533
2,008	2,477	2,294	2,420	2,561	2,228
14,054	14,316	7,715	4,231	4,258	4,757
-	57	1,706	1,595	9,077	2,738
3,191	8,954	1,467	2,275	5,594	7,389
-	-	-	13,170	14,454	13,103
					18,895
-	-	-	4,425	1,943	2,457
325,966	479,101	401,494	467,676	539,876	513,903
12,901	21,407	20,854	-	-	<u> </u>
338,867	500,508	422,348	467,676	539,876	513,903
\$46,681	(\$1,743)	\$58,294	\$26,399	(\$7,406)	\$37,631

FIGURE I

# DISTRIBUTION OF REVENUES (Percentage)

1978-1987

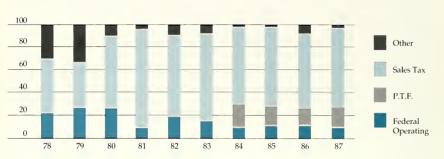


TABLE II

# RETAILERS' OCCUPATION AND USE TAX (SALES TAX) REVENUES BY COUNTY (In Thousands)

Last Seven Fiscal Years

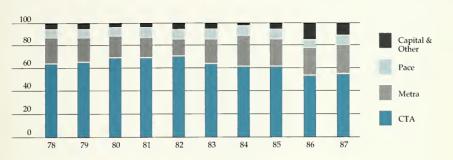
	-		12 Months		12 Months		15 Months
Leasting of Betailer	Tax	% of	Ended	% of	Ended	% of	Ended
Location of Retailer	Rate	Total	09/30/81	Total	09/30/82	Total	12/31/83
City of Chicago	1.0%	40.76	\$111,996	40.86	\$113,505	40.76	\$147,532
Suburban Cook County	1.0%	49.82	136,884	49.94	138,729	49.82	191,761
DuPage County	1/4%	4.26	11,534	4.21	12,136	4.36	17,528
Kane County	1/4%	1.34	3,439	1.25	3,479	1.25	4,948
Lake County	1/4%	2.05	5,409	1.97	5,766	2.07	8,174
McHenry County	1/4%	0.60	1,593	0.58	1,619	0.58	2,235
Will County	1/4%	1.17	3,268	1.19	3,236	1.16	4,435
Total retailer's occupation							
and use tax (sales tax) revenue		100.0	\$274,123	100.00	\$278,470	100.00	\$376,613

<sup>\*</sup>Tax was first effective on November 1, 1979.

FIGURE II

# DISTRIBUTION OF EXPENSES (Percentage)

1978-1987



	12 Months		12 Months		12 Months		12 Months	
% of	Ended	% of						
Total	12/31/84	Total	12/31/85	Total	12/31/86	Total	12/31/87	Total
39.17	\$119,322	36.34	\$123,955	36.20	\$132,201	35.87	\$136,920	35.43
50.92	175,446	53.43	182,773	53.37	197,363	53.54	207,453	53.68
4.66	15,737	4.79	16,993	4.96	18,615	5.05	19,769	5.12
1.01	4 421	1.25	4.615	1.25	4.027	1.34	5,427	1.41
1.31	4,431	1.35	4,615	1.35	4,927	1.34	3,427	1.41
2.17	7,452	2.27	7,936	2.33	8,798	2.39	9,696	2.51
2.17	7,432	2.27	7,750	2.00	0,7 >0	2.37	7,070	2.01
0.59	2.152	0.65	2,088	0.61	2,305	0.63	2,524	0.65
0.00	_,10_	0,000	_,		_,		,-	
1.18	3,837	1.17	4,081	1.18	4,370	1.18	4,650	1.20
						-		
100.00	\$328,377	100.00	\$342,441	100.00	\$368,579	100.00	\$386,439	100.00

# SALES TAX REVENUE DISTRIBUTION BY COUNTY/CITY OF CHICAGO

1987

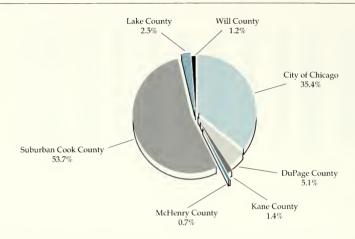


TABLE III

# ALLOCATION OF CAPITAL FUNDS TO NORTHEAST ILLINOIS (In millions)

Sections 3, 5 and 9

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	City of Chicago	RTA
1978	\$ 171.34	\$ 61.21	\$ 55.53	\$ 13.93	\$ 40.67	\$ -0-
1979	146.42	45.52	35.37	0.53	65.00	-0-
1980	169.11	63.11	50.40	5.60	50.00	-0-
1981	220.63	100.47	72.36	19.80	28.00	-0-
1982	204.85	109.05	89.10	6.70	-0-	-0-
1983	278.45	167.40	101.95	9.10	-0-	-0-
1984	269.96	157.90	76.56	35.50	-0-	-0-
1985	231.40	141.20	75.40	14.80	-0-	-0-
1986	237.36	141.45	77.20	18.19	-0-	0.52
1987	243.30	142.90	84.20	16.20	-0-	-0-
Total	\$2,172.82	\$1,130.21	\$718.07	\$140.35	\$183.67	\$0.52

NOTES: 1987 dollars reflect budgeted amounts only.

SOURCE: Regional Capital Planning Division

### SERVICE DIVISION OPERATING CHARACTERISTICS

### CHICAGO TRANSIT AUTHORITY

· Serves the City of Chicago and 38 neighboring suburbs

### Rapid Transit

- miles of track • 249
- 143 stations served
- •1.200 rapid transit cars
- •2,136 daily train departures
- 12.1 million riders per month

### Motor Bus

- 133 bus routes
- •1,893 buses operating during peak periods
- million riders per month

### Paratransit

- 200 non-CTA owned private operated vehicles
- 55 thousands riders per month

### METRA COMMUTER RAIL DIVISION

- miles of track 1.200
- 100 communities served
- 233 stations
- 131 locomotives
- 679 passenger cars
- 209 electric cars
- 3.486 trains operated per week
- on-time performance in 1987 • 96.7%
- 5.2 million passenger per month

### PACE SUBURBAN BUS DIVISION

### Fixed Route

- public contract carriers
- owned and operated by carriers
- private contract carriers 11
  - 154 regular routes
- 80 feeder routes
- 200 communities served
  - 98 commuter rail and rapid transit stations served
- 504 vehicles in used during peak periods\*
- million riders per month 3.0

### Paratransit

- 62 local services
- 150 Pace owned lift-equipped buses in service
- 160 taxis and other non-Pace owned vehicles in service
- 91 thousand riders per month

\*Includes Contract Carriers

TABLE V

# UNLINKED PASSENGER TRIPS (In millions)

Last Ten Calander	Years									
Service Consumed:	1978	1979	1980	1981	1982	1983	1984	1985	1986*	1987
СТА	696.3	711.6	696.6	643.3	616.1	614.6	638.2	644.4	610.9	610.8
Commuter Rail	72.5	79.5	81.9	70.4	60.5	59.2	62.1	64.5	64.6	66.7
Suburban Bus	28.1	35.4	38.2	27.4	27.7	31.2	36.1	38.4	36.1	35.6
Total	796.9	826.5	816.7	741.1	704.3	705.0	736.4	747.3	711.6	713.1
Percent Change	2.9%	3.7%	(1.2%)	(9.3%)	(5.0%)	0.1%	4.5%	1.5%	(4.8%)	0.2%

<sup>\*</sup> All three operating divisions had fare increases in February 1986.

SOURCE: RTA Regional Operation Analysis Division.

# SYSTEM RIDERSHIP (In millions)

1978-1987

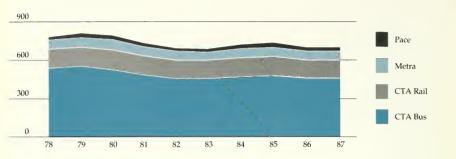


TABLE VI

# REGIONAL POPULATION GROWTH

1970, 1980, 1985

1970	1980	Estimated 1985	Annual Growth 1980-1985
5,493,766	5,253,655	5,302,000	0.2%
3,369,357 2,124,409	3,005,072 2,248,583	2,990,000 2,312,000	-0.1% 0.6%
487,966	658,835	715,800	1.7%
251,005	278,405	298,700	1.4%
382,638	440,372	465,300	1.1%
111,555	147,897	159,000	1.5%
247,825	324,460	333,700	0.6%
6,974,755	7,103,624	7,274,500	0.5%
3,605,398	4,098,552	4,284,500	0.9%
	5,493,766 3,369,357 2,124,409 487,966 251,005 382,638 111,555 247,825 6,974,755	5,493,766 5,253,655 3,369,357 3,005,072 2,124,409 2,248,583 487,966 658,835 251,005 278,405 382,638 440,372 111,555 147,897 247,825 324,460 6,974,755 7,103,624	5,493,766     5,253,655     5,302,000       3,369,357     3,005,072     2,990,000       2,124,409     2,248,583     2,312,000       487,966     658,835     715,800       251,005     278,405     298,700       382,638     440,372     465,300       111,555     147,897     159,000       247,825     324,460     333,700       6,974,755     7,103,624     7,274,500

SOURCE: U.S. Census Bureau

FIGURE V

### REGIONAL POPULATION TRENDS (In Millions)

1970, 1980, 1985

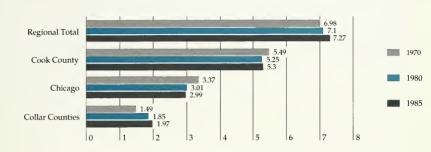
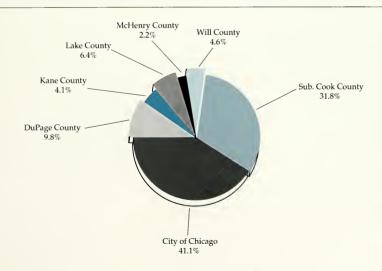


FIGURE VI

# POPULATION DISTRIBUTION BY COUNTY/CITY OF CHIGAGO

1984





CTA's Lake-Dan Ryan line, crossing the Loop

# 1987 Annual Report

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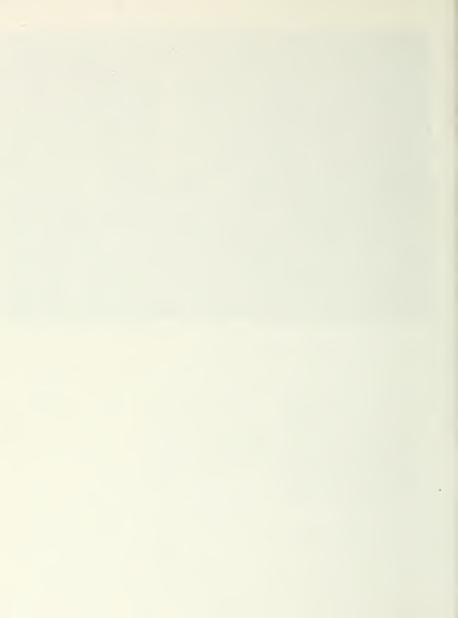
Design Michael Hickman

Production Assistant Gerri Walton Photography Matt Ferguson

Printing Questar Printing Inc.

Prepared by the Public Affairs and Budget and Financial Management departments of the Regional Transportation Authority One North Dearborn Street, Suite 1100 Chicago, Illinois 60602









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